

Article - Local Government

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§20–609.

(a) (1) In this section the following words have the meanings indicated.

(2) “Gross receipts shortage” means the amount by which the property tax calculated under subsection (e)(2) of this section that would have been due exceeds the total gross receipts tax remitted under subsection (d) of this section.

(3) “Gross receipts surplus” means the amount by which the total gross receipts tax remitted under subsection (d) of this section exceeds the amount of property tax calculated under subsection (e)(2) of this section that would have been due.

(4) (i) “Heavy equipment property” means construction, earthmoving, or industrial equipment that is mobile, including any attachment for the heavy equipment.

(ii) “Heavy equipment property” includes:

1. a self-propelled vehicle that is not designed to be driven on a highway; and

2. industrial electrical generation equipment, industrial lift equipment, industrial material handling equipment, or other similar industrial equipment.

(5) “Short-term lease or rental” means the lease or rental of heavy equipment property for a period of 365 days or less.

(b) (1) Except as provided in subsection (c) of this section, there is a tax at a rate of 2% on the gross receipts from the short-term lease or rental of heavy equipment property by a person whose principal business is the short-term lease or rental of heavy equipment property at retail.

(2) A person is in the principal business of short-term lease or rental of heavy equipment property if:

(i) the largest segment of total rental receipts of the business is from the short-term lease or rental of heavy equipment property; and

(ii) the business is described under Code 532412 of the North American Industry Classification System as published by the United States Census Bureau.

(c) The tax imposed under this section does not apply to a business located in a county or municipality that does not impose a personal property tax.

(d) (1) A person who owns a business with gross receipts subject to the tax under this section shall collect the tax from the rental customer and remit the tax as provided in this subsection.

(2) The tax is payable quarterly and due by the last day of the month after the end of the quarter.

(3) A person who owns a business with gross receipts subject to the tax under this section shall remit the tax collected to:

(i) the county in which the business is located, if that location is not within a municipality; or

(ii) the county and municipality in which the business is located in proportion to the personal property tax rate of the county and municipality, if that location is within a municipality.

(4) Notwithstanding any other law and except as otherwise provided in this section, the gross receipts tax imposed under this section shall be administered and collected according to the laws applicable to the personal property tax under the Tax – Property Article.

(e) (1) A person who owns a business with gross receipts subject to the tax under subsection (b) of this section shall submit:

(i) to the Department of Assessments and Taxation a report on personal property as required under § 11–101 of the Tax – Property Article; and

(ii) to the county or municipality where the heavy equipment rental business is located a list of all personal property, including the original cost and date of acquisition of the property, that:

1. is subject to the gross receipts tax under this section;
and

2. is exempt from the property tax under § 7–243 of the Tax – Property Article.

(2) For each person that submits a list under paragraph (1)(ii) of this subsection, a county or municipality shall calculate the amount of property tax that would have been due for all property that is exempt under § 7-243 of the Tax – Property Article.

(3) A county or municipality shall calculate the difference between:

(i) the total gross receipts tax remitted under subsection (d) of this section by the person during the previous calendar year; and

(ii) the amount of property tax calculated under paragraph (2) of this subsection that would have been due.

(4) (i) On or before February 28 of each year, a county or municipality shall provide a statement to each person who owns a business with gross receipts subject to the tax under subsection (b) of this section that includes:

1. the total gross receipts tax remitted under subsection (d) of this section during the previous calendar year;

2. the total property tax calculated under paragraph (2) of this subsection that would have been due; and

3. the gross receipts shortage or gross receipts surplus.

(ii) If the statement includes a gross receipts shortage, the county or municipality shall include with the statement a bill for the amount of the gross receipts shortage payable on or before March 31 of each year.

(5) The list required under paragraph (1)(ii) of this subsection shall be submitted with the second quarterly payment required under subsection (d)(2) of this section.

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